

**EXECUTIVE SUMMARY - ENFORCEMENT MATTER** Page 1 of 3  
**DOCKET NO.:** 2008-0312-MLM-E **TCEQ ID:** RN105170518 **CASE NO.:** 35417  
**RESPONDENT NAME:** Near Bore Resources, Inc.

<b>ORDER TYPE:</b>		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
<b>CASE TYPE:</b>		
<input type="checkbox"/> AIR	<input checked="" type="checkbox"/> MULTI-MEDIA (check all that apply)	<input checked="" type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input checked="" type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION

**SITE WHERE VIOLATION(S) OCCURRED:** Near Bore Resources Carbonator Reclamation Facility, 8932 Highway 323 West, New London, Rusk County

**TYPE OF OPERATION:** Pyrolysis plant

**SMALL BUSINESS:** ☒ Yes ☐ No

**OTHER SIGNIFICANT MATTERS:** A complaint was received on September 12, 2007, alleging that the Facility was an unauthorized scrap tire facility. There is no record of additional pending enforcement actions regarding this facility location.

**INTERESTED PARTIES:** A complaint was received, but the complainant has not expressed a desire to protest this action or to speak at Agenda.

**COMMENTS RECEIVED:** The *Texas Register* comment period expired on August 18, 2008. No comments were received.

**CONTACTS AND MAILING LIST:**

**TCEQ Attorney/SEP Coordinator:** None

**TCEQ Enforcement Coordinator:** Mr. Ross Fife, Enforcement Division, Enforcement Team 7, MC 128, (512) 239-2541; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171

**Respondent:** Mr. Michael House, Plant Manager, Near Bore Resources, Inc., P.O. Box 228, New London, Texas 75682

**Mr. J. E. Lowden,** President, Near Bore Resources, Inc., P.O. Box 228, New London, Texas 75682

**Respondent's Attorney:** Not represented by counsel on this enforcement matter

TEXAS  
 COMMISSION  
 ON ENVIRONMENTAL  
 QUALITY  
 2008 SEP 12 AM 11:50  
 NEAR BORE RESOURCES





**VIOLATION SUMMARY CHART:**

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p><b>Type of Investigation:</b>  <input checked="" type="checkbox"/> Complaint  <input type="checkbox"/> Routine  <input type="checkbox"/> Enforcement Follow-up  <input type="checkbox"/> Records Review</p> <p><b>Date(s) of Complaints Relating to this Case:</b> September 12, 2007</p> <p><b>Date of Investigation Relating to this Case:</b> September 25 and October 2, 2007</p> <p><b>Date of NOV/NOE Relating to this Case:</b> January 9, 2008 (NOE)</p> <p><b>Background Facts:</b> This was a complaint investigation.</p> <p><b>WASTE</b></p> <p>1) Failure to obtain a scrap tire storage site registration before storing more than 500 used or scrap tires (or weight equivalent tire pieces or any combination thereof) on the ground or 2,000 used or scrap tires (or weight equivalent tire pieces or any combination thereof) in enclosed and lockable containers. Specifically, it was documented that 63,440 pounds of scrap tire pieces, that by weight equate to approximately 3,172 scrap tires, were being stored at the Facility [30 TEX. ADMIN. CODE § 328.60(a)].</p> <p>2) Failure to obtain a scrap tire facility registration for the processing, energy recovery, and/or recycling of scrap tires or tire pieces. Specifically, the Respondent was processing, recycling, and recovering energy from tire pieces at the Facility without a registration [30 TEX. ADMIN. CODE § 328.63(c)].</p> <p>3) Failure to perform hazardous waste determinations on waste generated at the Facility. Specifically, for various waste generated at the Facility, hazardous waste determinations had not been conducted. This waste included off-specification pyrolic oil, off-specification Low Grade Carbon Black, spent oil shale and oil sand, spent filters from process equipment, drums of rubber (carbon black and steel residue from the pyrolysis process), and</p>	<p><b>Total Assessed:</b> \$26,000</p> <p><b>Total Deferred:</b> \$5,200  <input checked="" type="checkbox"/> Expedited Settlement  <input type="checkbox"/> Financial Inability to Pay</p> <p><b>SEP Conditional Offset:</b> \$0</p> <p><b>Total Paid to General Revenue:</b> \$20,800</p> <p><b>Site Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Person Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Major Source:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>Major Source:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>Applicable Penalty Policy:</b> September 2002</p>	<p><b>Ordering Provisions:</b></p> <p>The Order will require the Respondent to:</p> <p>a. Immediately upon the effective date of this Agreed Order:</p> <p>i. Cease the receipt of used or scrap tires or tire pieces at the Facility until properly authorized;</p> <p>ii. Cease the processing, energy recovery, and/or recycling of used or scrap tires or tire pieces at the Facility until properly authorized;</p> <p>b. Within 30 days after the effective date of this Agreed Order:</p> <p>i. Obtain a scrap tire storage registration from the TCEQ or remove the tire pieces to an authorized facility;</p> <p>ii. If processing, energy recovery, and/or recycling of used or scrap tires or tire pieces is to be continued, obtain a scrap tire facility registration for these activities;</p> <p>iii. Ensure that hazardous waste determinations are performed for the waste generated at the Facility, including off-specification pyrolic oil, off-specification Low Grade Carbon Black, spent oil shale and oil sand, spent filters from process equipment, drums of rubber (carbon black and steel residue from the pyrolysis process), and drums of rocks and carbon black (residue from the removal of carbon build-up inside the carbonizer);</p> <p>iv. Notify the TCEQ as an industrial waste generator; and</p> <p>c. Within 45 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provisions a. through b.iv.</p>

<p>drums of rocks and carbon black (residue from the removal of carbon build-up inside the carbonizer) [30 TEX. ADMIN. CODE §§ 335.62 and 335.78(g)(1) and 40 CODE OF FEDERAL REGULATIONS § 262.11(a)].</p> <p>4) Failure to notify the Executive Director as a generator of industrial waste. Specifically, it was observed that a bulk of the waste generated at the Facility was industrial waste [30 TEX. ADMIN. CODE § 335.6(c)].</p>		
--	--	--

Additional ID No(s): Industrial and Hazardous Waste Generation Site ID No. F1998





Policy Revision 2 (September 2002)

## Penalty Calculation Worksheet (PCW)

PCW Revision January 29, 2008

<b>DATES</b>	<b>Assigned</b>	14-Jan-2008	<b>Screening</b>	7-Feb-2008	<b>EPA Due</b>	
	<b>PCW</b>	3-Mar-2008				

## RESPONDENT/FACILITY INFORMATION

<b>Respondent</b>	Near Bore Resources, Inc.		
<b>Reg. Ent. Ref. No.</b>	RN105170518		
<b>Facility/Site Region</b>	5-Tyler	<b>Major/Minor Source</b>	Major

## CASE INFORMATION

<b>Enf./Case ID No.</b>	35417	<b>No. of Violations</b>	2
<b>Docket No.</b>	2008-0312-MLM-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Municipal Solid Waste	<b>Enf. Coordinator</b>	Dana Shuler
<b>Multi-Media</b>	Industrial and Hazardous Waste	<b>EC's Team</b>	Enforcement Team 7
<b>Admin. Penalty \$</b>	<b>Limit Minimum</b>	\$0	<b>Maximum</b>
			\$10,000

## Penalty Calculation Section

## TOTAL BASE PENALTY (Sum of violation base penalties)

Subtotal 1 

## ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History  Enhancement Subtotals 2, 3, & 7 Notes Culpability   Enhancement Subtotal 4 Notes Good Faith Effort to Comply  Reduction Subtotal 5 

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes 

Total EB Amounts	\$805	*Capped at the Total EB \$ Amount	Subtotal 6 <input type="text" value="\$0"/>
Approx. Cost of Compliance	\$15,000		

## SUM OF SUBTOTALS 1-7

Final Subtotal 

## OTHER FACTORS AS JUSTICE MAY REQUIRE

Adjustment 

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes Final Penalty Amount 

## STATUTORY LIMIT ADJUSTMENT

Final Assessed Penalty 

## DEFERRAL

Reduction

Adjustment 

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes 

## PAYABLE PENALTY

Screening Date 7-Feb-2008

Docket No. 2008-0312-MLM-E

PCW

Respondent Near Bore Resources, Inc.

Policy Revision 2 (September 2002)

Case ID No. 35417

PCW Revision January 29, 2008

Reg. Ent. Reference No. RN105170518

Media [Statute] Municipal Solid Waste

Enf. Coordinator Dana Shuler

## Compliance History Worksheet

## &gt;&gt; Compliance History Site Enhancement (Subtotal 2)

Component Number of...

Enter Number Here Adjust.

NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 0%

## &gt;&gt; Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

## &gt;&gt; Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

## &gt;&gt; Compliance History Summary

Compliance  
History  
Notes

No change due to Average Performer classification.

Total Adjustment Percentage (Subtotals 2, 3, &amp; 7) 0%



<b>Screening Date</b>	7-Feb-2008	<b>Docket No.</b>	2008-0312-MLM-E	<b>PCW</b>
<b>Respondent</b>	Near Bore Resources, Inc.	<small>Policy Revision 2 (September 2002)</small>		
<b>Case ID No.</b>	35417	<small>PCW Revision January 29, 2008</small>		
<b>Reg. Ent. Reference No.</b>	RN105170518			
<b>Media [Statute]</b>	Municipal Solid Waste			
<b>Enf. Coordinator</b>	Dana Shuler			
<b>Violation Number</b>	1			
<b>Rule Cite(s)</b>	30 Tex. Admin. Code § 328.60(a)			
<b>Violation Description</b>	Failed to obtain a scrap tire storage site registration before storing more than 500 used or scrap tires (or weight equivalent tire pieces or any combination thereof) on the ground or 2,000 used or scrap tires (or weight equivalent tire pieces or any combination thereof) in enclosed and lockable containers, as documented during an investigation conducted on September 25 and October 2, 2007. Specifically, it was documented that 63,440 pounds of scrap tire pieces, that by weight equate to approximately 3,172 scrap tires, were being stored at the Facility.			
<b>Base Penalty</b>				\$10,000
<b>&gt;&gt; Environmental, Property and Human Health Matrix</b>				
OR	Harm			
	Release	Major	Moderate	Minor
	Actual			
	Potential			
				<b>Percent</b> 0%
<b>&gt;&gt; Programmatic Matrix</b>				
	Falsification	Major	Moderate	Minor
		x		
				<b>Percent</b> 25%
<b>Matrix Notes</b>	100% of the rule requirement was not met.			
<b>Adjustment</b>				\$7,500
				\$2,500
<b>Violation Events</b>				
<b>Number of Violation Events</b>		2	<b>Number of violation days</b> 135	
<small>mark only one with an x</small>	daily			
	monthly			
	quarterly	x		
	semiannual			
	annual			
	single event			
		<b>Violation Base Penalty</b> \$5,000		
Two quarterly events are recommended from the September 25, 2007 investigation date to the February 7, 2008 screening date.				
<b>Economic Benefit (EB) for this violation</b>			<b>Statutory Limit Test</b>	
<b>Estimated EB Amount</b>		\$268	<b>Violation Final Penalty Total</b> \$5,000	
			<b>This violation Final Assessed Penalty (adjusted for limits)</b> \$5,000	

## Economic Benefit Worksheet

**Respondent** Near Bore Resources, Inc.  
**Case ID No.** 35417  
**Reg. Ent. Reference No.** RN105170518  
**Media** Municipal Solid Waste  
**Violation No.** 1

<b>Percent Interest</b>	<b>Years of Depreciation</b>
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

### Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs	\$5,000	25-Sep-2007	21-Oct-2008	1.1	\$268	n/a	\$268
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to obtain a scrap tire storage site registration. Date Required is the investigation date and Final Date is the expected date of compliance.

### Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$268

Screening Date 7-Feb-2008

Docket No. 2008-0312-MLM-E

PCW

Respondent Near Bore Resources, Inc.

Policy Revision 2 (September 2002)

Case ID No. 35417

PCW Revision January 29, 2008

Reg. Ent. Reference No. RN105170518

Media [Statute] Municipal Solid Waste

Enf. Coordinator Dana Shuler

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code § 328.63(c)

Violation Description

Failed to obtain a scrap tire facility registration for the processing, energy recovery, and/or recycling of scrap tires or tire pieces, as documented during an investigation conducted on September 25 and October 2, 2007. Specifically, the Respondent was processing, recycling, and recovering energy from tire pieces at the Facility without a registration.

Base Penalty \$10,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

## &gt;&gt; Programmatic Matrix

Falsification	Major	Moderate	Minor
	X		

Percent 25%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$7,500

\$2,500

## Violation Events

Number of Violation Events 2

135 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$5,000

Two quarterly events are recommended from the September 25, 2007 investigation date to the February 7, 2008 screening date.

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$537

Violation Final Penalty Total \$5,000

This violation Final Assessed Penalty (adjusted for limits) \$5,000

## Economic Benefit Worksheet

**Respondent** Near Bore Resources, Inc.  
**Case ID No.** 35417  
**Reg. Ent. Reference No.** RN105170518  
**Media** Municipal Solid Waste  
**Violation No.** 2

<b>Percent Interest</b>	<b>Years of Depreciation</b>
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

### Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs	\$10,000	25-Sep-2007	21-Oct-2008	1.1	\$537	n/a	\$537
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to register as a scrap tire facility. Date Required is the investigation date and Final Date is the expected date of compliance.

### Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$10,000

TOTAL

\$537



Policy Revision 2 (September 2002)

## Penalty Calculation Worksheet (PCW)

PCW Revision January 29, 2008

<b>DATES</b>	<b>Assigned</b>	14-Jan-2008	<b>Screening</b>	7-Feb-2008	<b>EPA Due</b>	
	<b>PCW</b>	12-Mar-2008				

<b>RESPONDENT/FACILITY INFORMATION</b>			
<b>Respondent</b>	Near Bore Resources, Inc.		
<b>Reg. Ent. Ref. No.</b>	RN105170518		
<b>Facility/Site Region</b>	5-Tyler	<b>Major/Minor Source</b>	Minor

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	35417	<b>No. of Violations</b>	2
<b>Docket No.</b>	2008-0312-MLM-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Industrial and Hazardous Waste	<b>Enf. Coordinator</b>	Dana Shuler
<b>Multi-Media</b>	Municipal Solid Waste	<b>EC's Team</b>	Enforcement Team 7
<b>Admin. Penalty \$</b>	<b>Limit Minimum</b>	\$0	<b>Maximum</b>
			\$10,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	\$16,000
---	-------------------	----------

**ADJUSTMENTS (+/-) TO SUBTOTAL 1**

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

<b>Compliance History</b>	0% Enhancement	<b>Subtotals 2, 3, &amp; 7</b>	\$0
---------------------------	----------------	--------------------------------	-----

<b>Notes</b>	No change due to Average Performer classification.
--------------	--

<b>Culpability</b>	No	0% Enhancement	<b>Subtotal 4</b>	\$0
--------------------	----	----------------	-------------------	-----

<b>Notes</b>	The Respondent does not meet the culpability criteria.
--------------	--

<b>Good Faith Effort to Comply</b>	0% Reduction	<b>Subtotal 5</b>	\$0
------------------------------------	--------------	-------------------	-----

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with x)

<b>Notes</b>	The Respondent does not meet the good faith criteria.
--------------	---

	0% Enhancement*	<b>Subtotal 6</b>	\$0
<b>Total EB Amounts</b>	\$34	<b>*Capped at the Total EB \$ Amount</b>	
<b>Approx. Cost of Compliance</b>	\$1,100		

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	\$16,000
-----------------------------	-----------------------	----------

<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	0%	<b>Adjustment</b>	\$0
---	----	-------------------	-----

Reduces or enhances the Final Subtotal by the indicated percentage.

<b>Notes</b>	
--------------	--

<b>Final Penalty Amount</b>	\$16,000
-----------------------------	----------

<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$16,000
-----------------------------------	-------------------------------	----------

<b>DEFERRAL</b>	20%	Reduction	<b>Adjustment</b>	-\$3,200
-----------------	-----	-----------	-------------------	----------

Reduces the Final Assessed Penalty by the indicted percentage. (Enter number only; e.g. 20 for 20% reduction.)

<b>Notes</b>	Deferral offered for expedited settlement.
--------------	--

<b>PAYABLE PENALTY</b>	\$12,800
------------------------	----------

Screening Date 7-Feb-2008

Docket No. 2008-0312-MLM-E

PCW

Respondent Near Bore Resources, Inc.

Policy Revision 2 (September 2002)

Case ID No. 35417

PCW Revision January 29, 2008

Reg. Ent. Reference No. RN105170518

Media [Statute] Industrial and Hazardous Waste

Enf. Coordinator Dana Shuler

### Compliance History Worksheet

#### >> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action <i>(number of NOVs meeting criteria)</i>	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability <i>(number of orders meeting criteria)</i>	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government <i>(number of judgments or consent decrees meeting criteria)</i>	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government <i>(number of counts)</i>	0	0%
Emissions	Chronic excessive emissions events <i>(number of events)</i>	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 <i>(number of audits for which notices were submitted)</i>	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 <i>(number of audits for which violations were disclosed)</i>	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 0%

#### >> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

#### >> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

#### >> Compliance History Summary

Compliance History Notes

No change due to Average Performer classification.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 0%

<b>Screening Date</b> 7-Feb-2008	<b>Docket No.</b> 2008-0312-MLM-E	<b>PCW</b>		
<b>Respondent</b> Near Bore Resources, Inc.	<small>Policy Revision 2 (September 2002)</small>			
<b>Case ID No.</b> 35417	<small>PCW Revision January 29, 2008</small>			
<b>Reg. Ent. Reference No.</b> RN105170518				
<b>Media [Statute]</b> Industrial and Hazardous Waste				
<b>Enf. Coordinator</b> Dana Shuler				
<b>Violation Number</b> <input type="text" value="1"/>				
<b>Rule Cite(s)</b>	30 Tex. Admin. Code §§ 335.62 and 335.78(g)(1) and 40 Code of Federal Regulations § 262.11(a)			
<b>Violation Description</b>	Failed to perform hazardous waste determinations on waste generated at the Facility, as documented during an investigation conducted on September 25 and October 2, 2007. Specifically, for various waste generated at the Facility, hazardous waste determinations had not been conducted. This waste included off-specification pyrolic oil, off-specification Low Grade Carbon Black, spent oil shale and oil sand, spent filters from process equipment, drums of rubber (carbon black and steel residue from the pyrolysis process), and drums of rocks and carbon black (residue from the removal of carbon build-up inside the carbonizer).			
<b>Base Penalty</b>		<input type="text" value="\$10,000"/>		
<b>&gt;&gt; Environmental, Property and Human Health Matrix</b>				
OR	<b>Release</b>	<b>Harm</b>		
		Major      Moderate      Minor		
	Actual	<input type="text"/>	<input type="text"/>	
	Potential	<input type="text" value="x"/>	<input type="text"/>	<b>Percent</b> <input type="text" value="25%"/>
<b>&gt;&gt; Programmatic Matrix</b>				
	Falsification	Major      Moderate      Minor		
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<b>Percent</b> <input type="text" value="0%"/>
<b>Matrix Notes</b>	Human health or the environment could be exposed to pollutants which would exceed levels which are protective of human health or environmental receptors as a result of this violation.			
<b>Adjustment</b>			<input type="text" value="\$7,500"/>	
			<input type="text" value="\$2,500"/>	
<b>Violation Events</b>				
<b>Number of Violation Events</b> <input type="text" value="6"/>		<input type="text" value="135"/> <b>Number of violation days</b>		
mark only one with an x	daily	<input type="text"/>	<b>Violation Base Penalty</b> <input type="text" value="\$15,000"/>	
	monthly	<input type="text"/>		
	quarterly	<input type="text"/>		
	semiannual	<input type="text"/>		
	annual	<input type="text"/>		
	single event	<input type="text" value="x"/>		
Six single events are recommended (one event per waste stream).				
<b>Economic Benefit (EB) for this violation</b>		<b>Statutory Limit Test</b>		
<b>Estimated EB Amount</b> <input type="text" value="\$32"/>		<b>Violation Final Penalty Total</b> <input type="text" value="\$15,000"/>		
		<b>This violation Final Assessed Penalty (adjusted for limits)</b> <input type="text" value="\$15,000"/>		

## Economic Benefit Worksheet

Respondent: Near Bore Resources, Inc.

Case ID No. 35417

Reg. Ent. Reference No. RN105170518

Media: Industrial and Hazardous Waste

Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

### Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$600	25-Sep-2007	21-Oct-2008	1.1	\$32	n/a	\$32

Notes for DELAYED costs

Estimated cost to conduct hazardous waste determinations on waste at the Facility. Date Required is the date of the investigation and Final Date is the expected date of compliance.

### Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$600

TOTAL

\$32



Screening Date 7-Feb-2008

Docket No. 2008-0312-MLM-E

PCW

Respondent Near Bore Resources, Inc.

Policy Revision 2 (September 2002)

Case ID No. 35417

PCW Revision January 29, 2008

Reg. Ent. Reference No. RN105170518

Media [Statute] Industrial and Hazardous Waste

Enf. Coordinator Dana Shuler

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code § 335.6(c)

Violation Description

Failed to notify the Executive Director as a generator of industrial waste, as documented during an investigation conducted on September 25 and October 2, 2007. Specifically, it was observed that a bulk of the waste generated at the Facility were industrial waste.

Base Penalty \$10,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

## &gt;&gt; Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 10%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$9,000

\$1,000

## Violation Events

Number of Violation Events 1

135 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

Violation Base Penalty \$1,000

One single event is recommended.

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$2

Violation Final Penalty Total \$1,000

This violation Final Assessed Penalty (adjusted for limits) \$1,000

## Economic Benefit Worksheet

Respondent: Near Bore Resources, Inc.

Case ID No. 35417

Reg. Ent. Reference No. RN105170518

Media: Industrial and Hazardous Waste

Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

### Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$500	25-Sep-2008	21-Oct-2008	0.1	\$2	n/a	\$2

Notes for DELAYED costs

Estimated cost to notify the TCEQ as an industrial waste generator. Date Required is the investigation date and the Final Date is the expected date of compliance.

### Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$500

TOTAL

\$2

# Compliance History

Customer/Respondent/Owner-Operator:	CN603156449	Near Bore Resources, LP	Classification: AVERAGE	Rating: 3.01
Regulated Entity:	RN105170518	NEAR BORE RESOURCES CARBONATOR RECLAMATION FACILITY	Classification: AVERAGE BY DEFAULT	Site Rating: 3.01
ID Number(s):	STORMWATER INDUSTRIAL AND HAZARDOUS WASTE GENERATION		PERMIT ID NUMBER	TXR15EW91 F1998
Location:	8932 HIGHWAY 323 W, NEW LONDON, TX, 75684		Rating Date: September 01 07 Repeat Violator: NO	
TCEQ Region:	REGION 05 - TYLER			
Date Compliance History Prepared:	February 07, 2008			
Agency Decision Requiring Compliance History:	Enforcement			
Compliance Period:	February 07, 2003 to February 07, 2008			
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History				
Name:	Dana Shuler		Phone:	(512) 239-2505

## Site Compliance History Components

- |  |     |
|--|-----|
| 1. Has the site been in existence and/or operation for the full five year compliance period? | Yes |
| 2. Has there been a (known) change in ownership of the site during the compliance period?    | No  |
| 3. If Yes, who is the current owner?   | N/A |
| 4. If Yes, who was/were the prior owner(s)?  | N/A |
| 5. When did the change(s) in ownership occur?  | N/A |

## Components (Multimedia) for the Site :

- |    |   |     |
|----|---|-----|
| A. | Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government. | N/A |
| B. | Any criminal convictions of the state of Texas and the federal government.  | N/A |
| C. | Chronic excessive emissions events.   | N/A |
| D. | The approval dates of investigations. (CCEDS Inv. Track. No.)   | N/A |
| E. | Written notices of violations (NOV). (CCEDS Inv. Track. No.)  |     |
| F. | Environmental audits.   | N/A |
| G. | Type of environmental management systems (EMSs).  | N/A |
| H. | Voluntary on-site compliance assessment dates.  | N/A |
| I. | Participation in a voluntary pollution reduction program.   | N/A |
| J. | Early compliance.   | N/A |

Sites Outside of Texas

N/A



# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



TEXAS  
COMMISSION  
ON ENVIRONMENTAL  
QUALITY  
JAN 14 2008 10:50  
CHIEF CLERK'S OFFICE

IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
NEAR BORE RESOURCES, INC.  
RN105170518

§  
§  
§  
§  
§

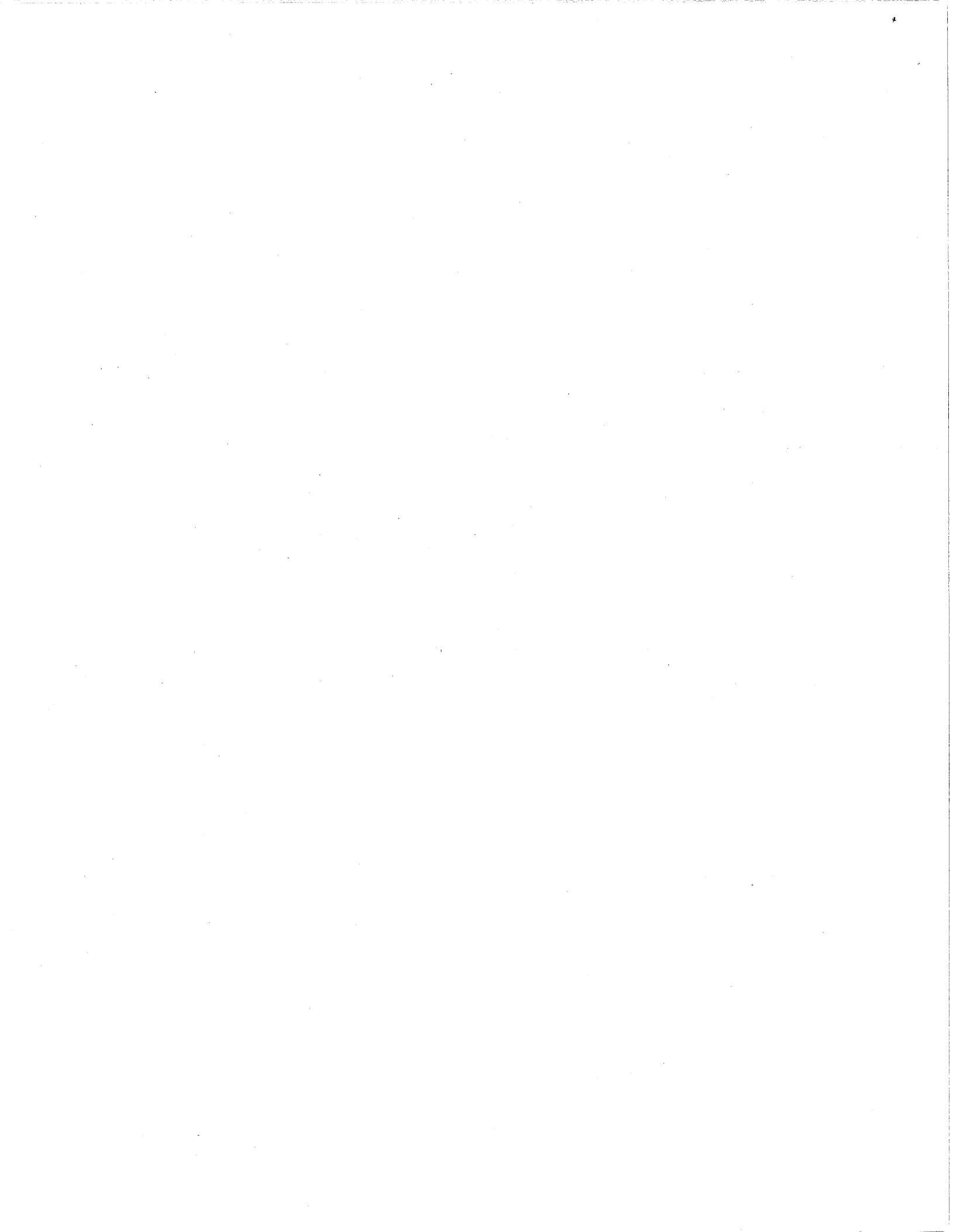
BEFORE THE  
  
TEXAS COMMISSION ON  
  
ENVIRONMENTAL QUALITY

## AGREED ORDER DOCKET NO. 2008-0312-MLM-E

### I. JURISDICTION AND STIPULATIONS

At its \_\_\_\_\_ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Near Bore Resources, Inc. ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 361 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a pyrolysis plant at 8932 Highway 323 West in New London, Rusk County, Texas (the "Facility").
2. The Facility involves or involved the management of municipal solid waste and industrial solid waste as defined in TEX. HEALTH & SAFETY CODE ch. 361.
3. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about January 14, 2008.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Twenty-Six Thousand Dollars (\$26,000) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Twenty Thousand Eight Hundred Dollars (\$20,800) of the administrative



penalty and Five Thousand Two Hundred Dollars (\$5,200) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
10. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
11. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

## II. ALLEGATIONS

As owner and operator of the Facility, the Respondent is alleged to have:

1. Failed to obtain a scrap tire storage site registration before storing more than 500 used or scrap tires (or weight equivalent tire pieces or any combination thereof) on the ground or 2,000 used or scrap tires (or weight equivalent tire pieces or any combination thereof) in enclosed and lockable containers, in violation of 30 TEX. ADMIN. CODE § 328.60(a), as documented during an investigation conducted on September 25 and October 2, 2007. Specifically, it was documented that 63,440 pounds of scrap tire pieces, that by weight equate to approximately 3,172 scrap tires, were being stored at the Facility.
2. Failed to obtain a scrap tire facility registration for the processing, energy recovery, and/or recycling of scrap tires or tire pieces, in violation of 30 TEX. ADMIN. CODE § 328.63(c), as documented during an investigation conducted on September 25 and October 2, 2007. Specifically, the Respondent was processing, recycling, and recovering energy from tire pieces at the Facility without a registration.
3. Failed to perform hazardous waste determinations on waste generated at the Facility, in violation of 30 TEX. ADMIN. CODE §§ 335.62 and 335.78(g)(1) and 40 CODE OF FEDERAL REGULATIONS § 262.11(a), as documented during an investigation conducted on September 25 and October 2, 2007. Specifically, for various waste generated at the Facility, hazardous waste determinations had not been conducted. This waste included off-specification pyrolic oil, off-specification Low Grade Carbon Black, spent oil shale and oil sand, spent filters from process equipment, drums of





rubber (carbon black and steel residue from the pyrolysis process), and drums of rocks and carbon black (residue from the removal of carbon build-up inside the carbonizer).

4. Failed to notify the Executive Director as a generator of industrial waste, as documented during an investigation conducted on September 25 and October 2, 2007. Specifically, it was observed that a bulk of the waste generated at the Facility was industrial waste, in violation of 30 TEX. ADMIN. CODE § 335.6(c), as documented during an investigation conducted on October 2, 2007.

### III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

### IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Near Bore Resources, Inc., Docket No. 2008-0312-MLM-E" to:

Financial Administration Division, Revenues Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088

2. It is further ordered that the Respondent shall undertake the following technical requirements:
  - a. Immediately upon the effective date of this Agreed Order:
    - i. Cease the receipt of used or scrap tires or tire pieces at the Facility until properly authorized, in accordance with 30 TEX. ADMIN. CODE § 328.60(a);
    - ii. Cease the processing, energy recovery, and/or recycling of used or scrap tires or tire pieces at the Facility until properly authorized, in accordance with 30 TEX. ADMIN. CODE § 328.63(c);
  - b. Within 30 days after the effective date of this Agreed Order:
    - i. Obtain a scrap tire storage registration from the TCEQ or remove the tire pieces to an authorized facility, in accordance with 30 TEX. ADMIN. CODE § 328.60(a);
    - ii. If processing, energy recovery, and/or recycling of used or scrap tires or tire pieces is to be continued, obtain a scrap tire facility registration for these activities, in accordance with 30 TEX. ADMIN. CODE § 328.63(c);



- iii. Ensure that hazardous waste determinations are performed for the wastes generated at the Facility, including off-specification pyrolic oil, off-specification Low Grade Carbon Black, spent oil shale and oil sand, spent filters from process equipment, drums of rubber (carbon black and steel residue from the pyrolysis process), and drums of rocks and carbon black (residue from the removal of carbon build-up inside the carbonizer), in accordance with 30 TEX. ADMIN. CODE §§ 335.62 and 335.78(g)(1) and 40 CODE OF FEDERAL REGULATIONS § 262.11(a);
- iv. Notify the TCEQ as an industrial waste generator, in accordance with 30 TEX. ADMIN. CODE § 335.6(c); and
- c. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision Nos. 2.a. through 2.b.iv.

The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team  
Enforcement Division, MC 149A  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

with a copy to:

Waste Section Manager  
Tyler Regional Office  
Texas Commission on Environmental Quality  
2916 Teague Drive  
Tyler, Texas 75701-3756

- 3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.



4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
8. Under 30 Tex. Admin. Code § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

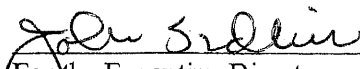


Near Bore Resources, Inc.  
DOCKET NO. 2008-0312-MLM-E  
Page 6

## SIGNATURE PAGE

### TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

  
\_\_\_\_\_  
For the Executive Director

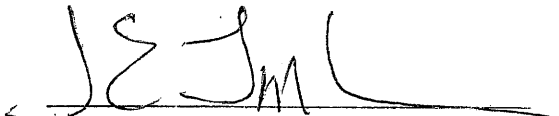
9/10/2008  
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

  
\_\_\_\_\_  
Signature

6-4-08  
Date

J.E. LOWDEN  
\_\_\_\_\_  
Name (Printed or typed)  
Authorized Representative of  
Near Bore Resources, Inc.

PRESIDENT NATURAL RESOURCE  
\_\_\_\_\_  
Title  
RECOVERY INC.  
NEAR BORE  
RESOURCES INC

**Instructions:** Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

